

**AMENDMENT TO H.R. 1320**  
**OFFERED BY MR. MARKEY**

After section 4, insert the following new section (and  
redesignate the succeeding sections accordingly):

**1 SEC. 5. DIGITAL DIVIDENDS FUND.**

2 Part A of the National Telecommunications and In-  
3 formation Administration Organization Act (47 U.S.C.  
4 901 et seq.) is amended by adding at the end the following  
5 new section:

**6 “SEC. 106. DIGITAL DIVIDENDS FUND.**

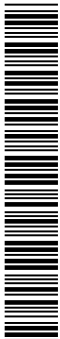
7 “(a) ESTABLISHMENT.—

8 “(1) FUND ESTABLISHED.—There is hereby es-  
9 tablished in the Treasury of the United States the  
10 Digital Dividends Fund (hereinafter in this section  
11 referred to as the ‘Fund’).

12 “(2) DEPOSITS.—The Fund shall consist of—

13 “(A) the interest on the Spectrum Reloca-  
14 tion Fund credited pursuant to section 118(f);  
15 and

16 “(B) the unexpended balance of the Spec-  
17 trum Relocation Fund remaining after the pay-  
18 ment of the relocation costs that are payable  
19 from the Spectrum Relocation Fund, deposited  
20 pursuant to section 118(d)(3).



1       “(b) BOARD OF TRUSTEES.—The Fund shall be ad-  
2 ministered by the Administrator of the NTIA, in consulta-  
3 tion with a board of directors (hereinafter in this section  
4 referred to as ‘the board’) comprised of 9 members, ap-  
5 pointed by the President, with experience in one or more  
6 of the following fields: investment management; corporate  
7 finance; computer software; telecommunications; public  
8 safety; and education and cultural heritage.

9       “(c) ADMINISTRATION; PRESERVATION OF PRIN-  
10 CIPAL.—All deposits described in subsection (a)(2)(B)  
11 shall constitute the corpus of the Fund and shall be in-  
12 vested in a manner that the board finds prudent and rea-  
13 sonable and that is designed to ensure that annual income  
14 is sufficient to cover the uses specified in subsection (d)  
15 and the other expected costs of carrying out the purposes  
16 of this section. Such deposits shall not be expended for  
17 the support of any of the purposes authorized by sub-  
18 section (d).

19       “(d) PURPOSE AND ACTIVITIES OF THE FUND.—In  
20 order to achieve the objectives and carry out the purposes  
21 of this Part, the Digital Dividends Fund is authorized to  
22 make grants, from the interest deposited pursuant to sub-  
23 section (a)(2)(A) and from the interest on the Fund, to—

24               “(1) support research and development for so-  
25 phisticated, content-related educational software and



1 programming designed to enhance learning in ele-  
2 mentary, secondary, and post-secondary education;

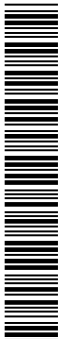
3 “(2) implement interoperability for the commu-  
4 nications needs of public safety, fire, emergency, law  
5 enforcement, and crisis management by State and  
6 local government agencies and instrumentalities and  
7 nonprofit organizations;

8 “(3) finance the development and testing of in-  
9 novative models and online materials for job retrain-  
10 ing, high tech skills training, and education in the  
11 use of new telecommunications and information  
12 technologies for Americans of all ages;

13 “(4) finance wireless priority access capability  
14 for public safety entities and to finance equipment  
15 upgrades for public safety entities when dedicated  
16 public safety frequencies become available;

17 “(5) digitize and make available to the public  
18 the rich educational and cultural materials held in  
19 our Nation’s libraries, archives, and museums;

20 “(6) train teachers and other educational per-  
21 sonnel at elementary and secondary schools and li-  
22 braries eligible for services or assistance under sec-  
23 tion 254 of the Communications Act of 1934;



1           “(7) support telecommunications projects and  
2           initiatives that serve the needs of Americans with  
3           disabilities; and

4           “(8) maximize utilization of the public broad-  
5           casting infrastructure, including use of digital, free  
6           over-the-air broadcast transmission capability, to as-  
7           sist such broadcasting entities’ ability to serve their  
8           communities with distance learning, skills training,  
9           dissemination of civic, public health, homeland secu-  
10          rity information, or other vital public services.

11          “(e) ELIGIBLE ENTITIES.—The following organiza-  
12          tions and entities are eligible to apply for funds under this  
13          section:

14           “(1) an elementary, secondary, or postsec-  
15          ondary educational institution;

16           “(2) a nonprofit agency or organization that is  
17          exempt from taxes under section 501(c)(3) of the In-  
18          ternal Revenue Code of 1986;

19           “(3) an agency or instrumentality of a State or  
20          local government of the United States (including an  
21          agency or instrumentality of a territory or posses-  
22          sion of the United States).

23          “(f) AUDITS.—The receipts and expenditures of the  
24          Fund are subject to audit by the Comptroller General and  
25          the receipts and expenditures of any non-Federal entity



1 receiving funds from the Fund are subject to audit under  
2 chapter 75 of title 31, United States Code.”.

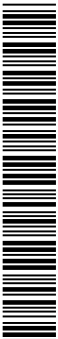
3 Page 11, beginning on line 21, strike paragraph (3)  
4 and insert the following:

5 “(3) TRANSFER OF UNUSED FUNDS TO DIGITAL  
6 DIVIDENDS FUND.—Any unexpended balances in the  
7 Fund that are remaining after the payment of the  
8 relocation costs that are payable from the Fund  
9 shall, not later than 8 years after the date of the ini-  
10 tial deposit to the Fund, be deposited in the Digital  
11 Dividends Fund for use in accordance with section  
12 106.

Page 13, line 20, strike the close quotation marks  
and following period, and after such line insert the fol-  
lowing new subsection:

13 “(f) INTEREST CREDITED TO THE DIGITAL DIVI-  
14 DENDS FUND.—

15 “(1) IN GENERAL.—It shall be the duty of the  
16 Secretary of the Treasury to invest such portion of  
17 any Spectrum Relocation Fund as is not, in his  
18 judgment, required to meet current withdrawals.  
19 Such investments may be made only in interest-bear-



1       ing obligations of the United States. For such pur-  
2       pose, such obligations may be acquired—

3               “(A) on original issue at the issue price, or

4               “(B) by purchase of outstanding obliga-  
5       tions at the market price.

6               “(2) SALE OF OBLIGATIONS.—Any obligation  
7       acquired by the Spectrum Relocation Fund may be  
8       sold by the Secretary of the Treasury at the market  
9       price. Proceeds from the sale or redemption of any  
10      obligations held in the Spectrum Relocation Fund  
11      shall be credited to and form a part of the Spectrum  
12      Relocation Fund.

13              “(3) INTEREST ON PROCEEDS TO DIGITAL DIVI-  
14      DENDS FUND.—The interest on any obligations held  
15      in the Spectrum Relocation Fund shall be credited  
16      to and form a part of the Digital Dividends Fund.”.

